

# ECONOMIC DEVELOPMENT BACKGROUND AND TRENDS



## MONTCO

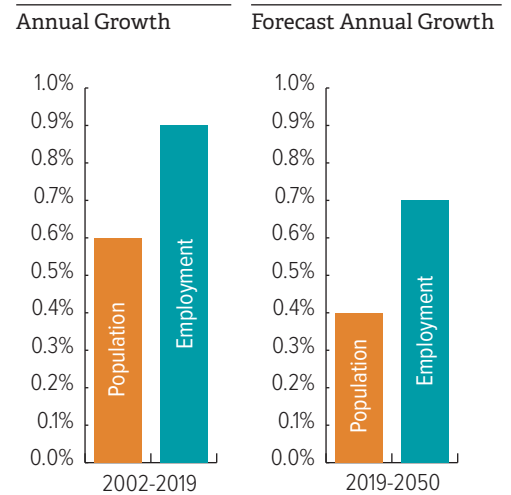
A Comprehensive Plan  
for a Changing World

- People and Population
- Existing Land Use
- Transportation
- Preservation and Recreation
- Environmental Systems
- Infrastructure and Utilities
- Economic Development**
- Housing
- Health
- Government and Community Facilities

Montgomery County has many employment opportunities and low unemployment among its workforce. Job growth outpaces population growth, and the number of people commuting into the county for work continues to increase. Most industry sectors are expanding.

### JOB GROWTH

Montgomery County's population has been growing steadily at an annual rate of 0.6 percent per year. However, employment has been growing much faster, above 0.9 percent per year. This trend is forecast to continue, with job growth outpacing population growth.



Sources: U.S. Census Bureau, On the Map, 2002 and 2019; Delaware Valley Regional Planning Commission, 2021; MCPC, 2023

### EMPLOYMENT SECTORS

#### Key Industries

Jobs overall in Montgomery County are distributed across a variety of industries. The largest number of jobs in Montgomery County are found in the health care and social assistance industry, and this sector continues to grow over time. Health care establishments are often stand-alone facilities but have started

### Employment Sectors

Source: Bureau of Labor Statistics, 2021. U.S. Census Bureau, On the Map, 2020 and 2010

NAICS Code	Industry	Wages	Location Quotient	Employees	Percent Change in Employment 2010-2020
	<i>Total, All Industries</i>	\$82,168	1.00	489,727	5.20%
11	Agriculture, Forestry, Fishing, and Hunting	\$34,552	0.29	660	34.3%
21	Mining, Quarrying, and Gas Extraction	\$72,554	0.14	260	17.7%
22	Utilities	\$146,874	0.96	2,799	15.5%
23	Construction	\$90,196	1.08	24,640	33.9%
31-33	Manufacturing	\$102,515	0.93	43,992	-5.3%
42	Wholesale Trade	\$119,316	1.22	21,736	-4.4%
44-45	Retail Trade	\$38,869	0.98	50,464	-2.1%
48-49	Transportation and Warehousing	\$52,181	0.48	13,580	5.0%
51	Information	\$106,018	1.29	9,947	-9.4%
52	Finance and Insurance	\$145,672	1.48	34,259	3.7%
53	Real Estate and Rental and Leasing	\$88,159	1.37	7,636	8.3%
54	Professional and Technical Services	\$135,017	1.75	56,819	9.4%
55	Management of Companies and Enterprises	\$154,580	1.30	15,509	38.2%
56	Administrative and Waste Services	\$55,441	1.34	34,751	15.6%
61	Educational Services	\$64,639	0.76	30,564	4.0%
62	Health Care and Social Assistance	\$58,660	0.92	83,106	19.5%
71	Arts, Entertainment, and Recreation	\$28,977	0.92	6,585	-12.3%
72	Accommodation and Food Services	\$25,010	0.80	27,638	-16.3%
81	Other Services (except Public Administration)	\$42,871	0.92	14,779	-13.2%
92	Public Administration	\$71,912	0.50	10,004	-4.3%

**Key Employment Sectors and Rank Compared to all Sectors in Montgomery County**  
 See also "Employment Sectors" table on previous page



**Health Care & Social Assistance**  
**17% of jobs - #1**  
 Wages lower than median - #13  
 Concentration - #12  
**19% growth - #4**



**Professional, Scientific, & Technical Services**  
**11% of jobs - #2**  
 High wages - #4  
**High concentration - #1**  
**9% growth - #8**



**Retail Trade**  
**10% of jobs - #3**  
**Low wages - #17 (\$38,869)**  
 Concentration - #9  
 2% contraction - #13



**Manufacturing**  
**9% of jobs - #4**  
**Good wages - #7 (\$103K)**  
 Concentration - #11  
**5% contraction - #16**



**Finance & Insurance**  
 7% of jobs - #6  
**High Wages - #3**  
**High concentration - #2**  
 4% growth - #12



**Construction**  
 5% of jobs - #9  
 Wages - #8  
 Concentration - #8  
**34% growth - #3**



**Management of Companies & Enterprises**  
 3% of jobs - #11  
**Highest wages - #1**  
 High concentration - #5  
**38% growth - #1**



**Transportation & Warehousing**  
 3% of jobs - #13  
 Low wages - #15  
**Low concentration - #19**  
**5% growth - #10**

appearing more frequently in former retail spaces on Main Streets, in malls, on pad sites, and in shopping centers. Locating health care offices amidst commercial uses increases health care accessibility and encourages commerce.

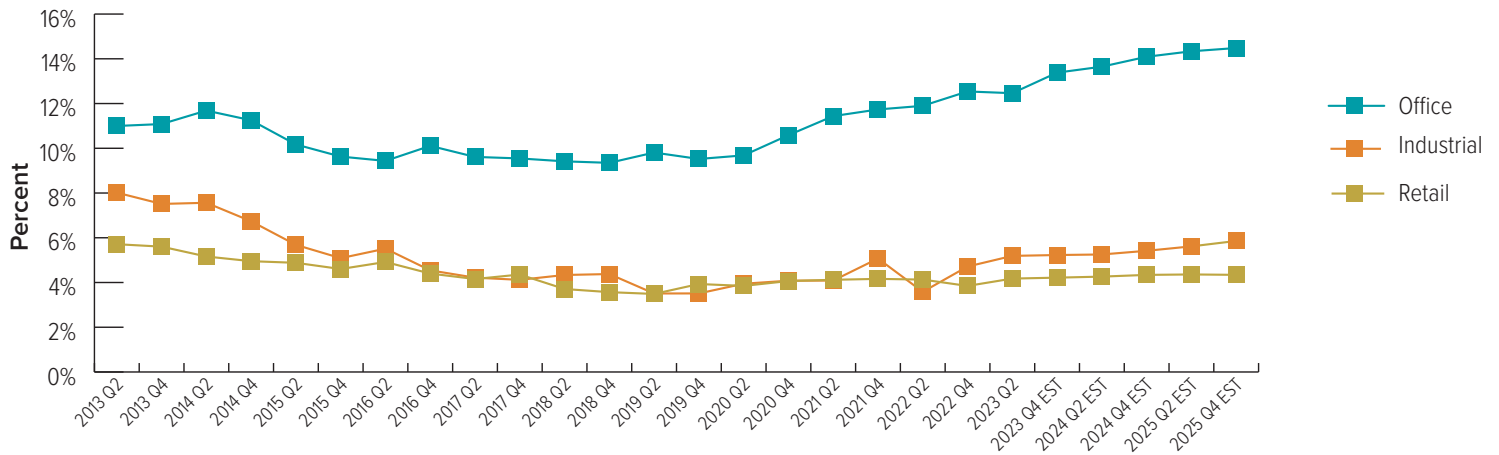
**NONRESIDENTIAL VACANCIES**

Vacancy rates are currently around 12 percent for office, 5 percent for industrial, and 4 percent for retail uses in Montgomery County. Office vacancy rates are typically higher than other uses but are predicted to increase in the next two years (by *CoStar*).

Since commercial leases are often for several years at a time, there is additional office space that is currently leased but functionally vacant or underutilized due to an increase in remote work. Some companies renewing office leases have requested a reduction in square footage in response to employees working remotely.

**Vacancy Rates for NonResidential Space in Montgomery County (Actual and Estimated)**

Source: CoStar, 2023



## MAIN STREET COMMUNITIES

Montgomery County is home to unique villages and downtowns. Many traditional, walkable Main Street areas have seen a decline in retail over time, starting with the advent of indoor shopping malls and exacerbated more recently by online shopping. Some Main Street areas have filled this void by adding residential units, especially in areas served by transit, creating a new customer base.

Main Street areas often add or improve elements that capitalize on a consumer interest in walkable, family-friendly, and distinctive places, such as:

- Outdoor dining
- Pedestrian-oriented streetscaping (sidewalks, street trees, benches, etc.)
- Public art and events
- Film and theater
- Historic preservation
- Main Street management programs or Business Improvement Districts
- New uses such as: entertainment, artisan manufacturing, co-working, pop-ups, and health care

## TOURISM

Being the home of the Valley Forge National Historical Park and several regional events and attractions, tourism has a large economic impact in Montgomery County. Visitors spent over \$1.1 billion in 2021. Excluding tourists who are from the greater Philadelphia area, most of the county's tourists are from New York City (23 percent), followed by Harrisburg (15 percent).

## WORKFORCE

### Education

Montgomery County residents make up 6.1 percent of the state's population yet make 9.2 percent of the income earned. This may be due to the high education levels of residents. Nationally, 13 percent of the population has a graduate or professional degree. In Montgomery County, 22 percent of the population has an advanced degree. Despite the increase in education level of the general population, Montgomery County also has seen the percentage of jobs held by people without a high school diploma grow over time.

## Educational Attainment

Source: U.S. Census Bureau, Decennial Census, 2000; American Community Survey, 5-Year Estimates 2006-2010 and 2016-2020

EDUCATIONAL ATTAINMENT OF RESIDENTS AGE 25 OR OLDER	2000	2010	2020	% CHANGE 2000-2010	% CHANGE 2010-2020	% CHANGE 2000-2020
Not a high school graduate	59,307	38,898	32,898	-34%	-15%	-45%
High school graduate (includes equivalency)	140,839	142,257	135,488	1%	-5%	-4%
Some college, no degree	85,342	88,355	82,408	4%	-7%	-3%
Associate degree	30,596	36,120	42,615	18%	18%	39%
Bachelor's degree	118,910	147,258	164,225	24%	12%	38%
Graduate or professional degree	80,877	102,247	125,003	26%	22%	55%

The education level of the county workforce is an important consideration for certain industries, such as professional, scientific, and technical services, seeking to locate in Montgomery County.

## Unemployment

Unemployment levels in Montgomery County are very low compared to the state and the nation. Despite a rise in unemployment to 13 percent of the workforce in April 2020, the economy quickly recovered from this initial pandemic-related spike, with unemployment hovering at around 3 percent for the past 18 months.

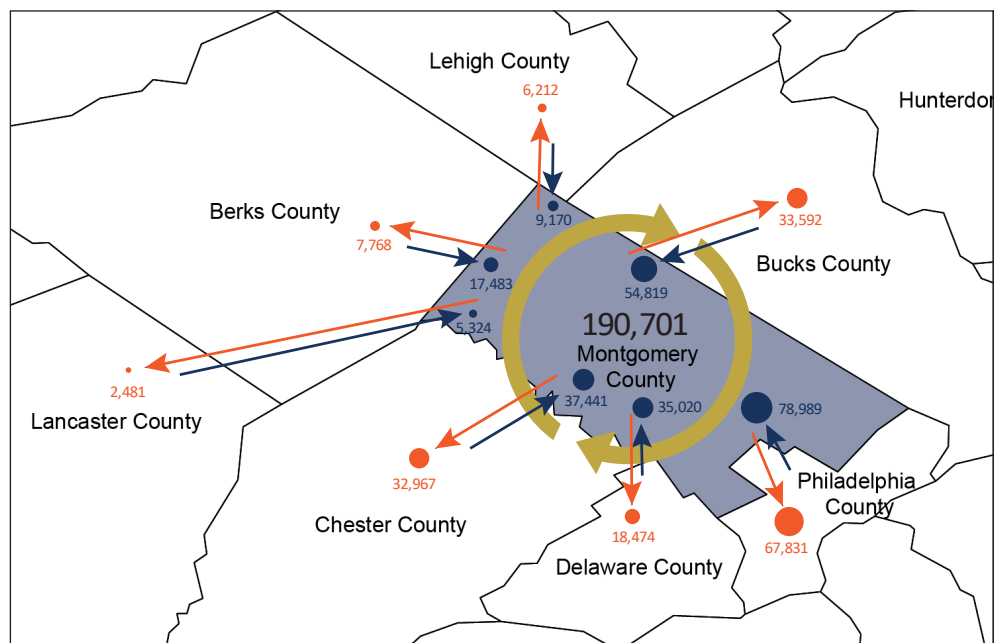
## Commuting

Many workers from nearby counties commute to Montgomery County, while fewer employees commute from the county to elsewhere. Approximately 190,700 people both live and work in Montgomery County. Those commuting into the county account for about 299,900 people, while nearly 206,700 residents leave the county for work. The counties sending or receiving the most workers are shown on the map below.

Due to the increase in jobs significantly outpacing population growth, a smaller percentage of jobs are held by residents of

## Commute to Work Locations by County

Source: U.S. Census Bureau, On the Map, 2019



the county, which increases the need for hiring workers from other locations. As of 2020, 38 percent of jobs in Montgomery County were held by residents. There are now more employees from Philadelphia working in Montgomery County than vice-versa – a shift that occurred in 2011.

### JOB LOCATIONS

The distribution of jobs throughout the county is uneven. Concentrations of over 2,000 jobs in one census block appear in Hatfield, Horsham, Upper Merion, Upper Dublin, Upper Gwynedd, Upper Moreland, Upper Providence, West Norriton, and Whitpain Townships. Many of these job concentrations are in areas where the median home price exceeds \$400,000, making it challenging for some employees to live close to where jobs are available.

### Job Growth by Location

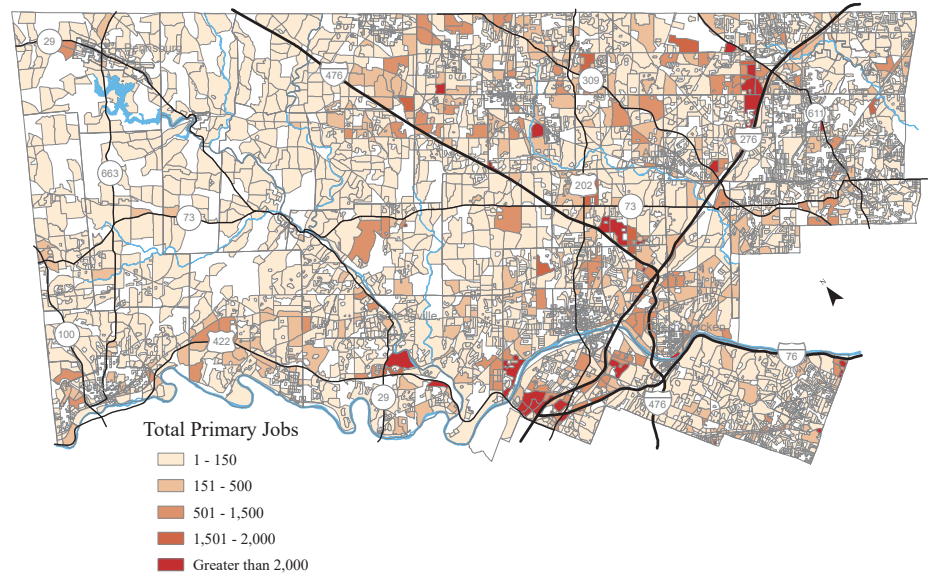
Jobs are predicted to continue to grow significantly in number in some municipalities with large job centers, including Conshohocken, Plymouth, Upper Merion, and Horsham. In addition, many municipalities without a defined job center are forecasted to have job growth. Notably, DVRPC anticipates that the entire western third of the county will have job growth of over 20 percent. This is partly due to the smaller number of jobs there now, so the percentage increase may not translate to large numbers of new jobs.

### CONSIDERATIONS

Montgomery County is a community and a home for its residents and a great place for preserved open space and recreation, but more than anything it is a “jobs county” with high employment that continues to grow.

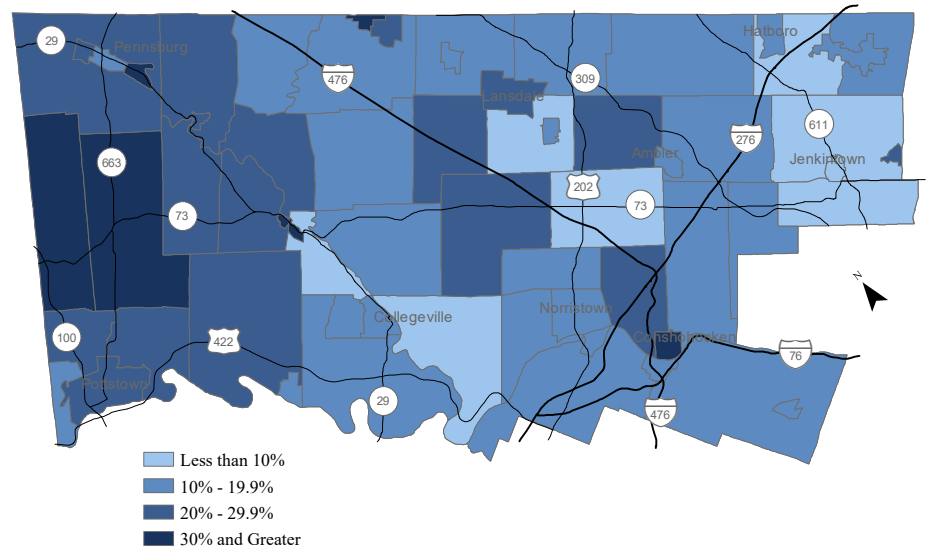
### Major Employment Centers

Source: U.S. Census Bureau, On The Map 2020



### Forecast Employment Increases by Percentage 2020-2050

Source: Delaware Valley Regional Planning Commission, 2021



*Montgomery County government departments and boards play a role in furthering the county's comprehensive planning work. The Commerce Department works to promote economic and workforce development. The department includes MontcoWorks (which provides workforce training), the Redevelopment Authority, the Industrial Development Authority, and the Higher Education and Health Authority.*



Additional maps and data are available at:  
<https://montco-2050-1-montcopa.hub.arcgis.com>



Prepared by:  
 Montgomery County Planning Commission, 2023